

MASTER PLUMBER CODE COMPLIANCE BOND  
TO BE COMPLETED BY YOUR SURETY COMPANY

BOND NO. 1114654

MERHARS ACE HARDWARE INC  
Company Name or, if none, the Master Plumber's name.  
48 E CHAPMAN ST ELY, MN 55731-1228  
Plumbing Company Address City State Zip  
as principal, and FEDERATED MUTUAL INSURANCE COMPANY (507 ) 455-5200  
Surety Company Name Telephone No.  
121 EAST PARK SQUARE OWATONNA MN 55060  
Surety Company Address City State Zip

a corporation licensed to do business in the State of Minnesota, as Surety, are jointly and severally held and firmly bound to the State of Minnesota, as Oblige, in the sum of TWENTY FIVE THOUSAND DOLLARS (\$25,000) for the payment of which, we bind ourselves, our heirs, executors, administrators, successors and assigns firmly by these presents.

WHEREAS a master plumber's license has been issued by the Oblige to the above Principal; and WHEREAS Minnesota Statutes, section 326.40, subdivision 2, requires a bond for all plumbing work entered into with the state.

NOW, THEREFORE, the condition of this obligation is such that, if undersigned Principal or such persons authorized to perform plumbing under the Principal's supervision performs plumbing in compliance with the plumbing codes as required pursuant to Minnesota Rules, Chapter 4715, then this obligation shall be null and void; otherwise, it shall remain in full force and effect for a period not to exceed one year ending December 31st. The period of this bond is DECEMBER 31, 1999 through December 31, 2000. During the term of this obligation, the Principal and Surety will pay unto the Oblige, or as otherwise directed by the Oblige, the amount needed to correct noncomplying plumbing work, not to exceed TWENTY FIVE THOUSAND DOLLARS (\$25,000) for the benefit of persons injured or suffering financial loss by reason of failure to comply with the requirements of the plumbing code, Minnesota Rules, Chapter 4715.

FURTHERMORE, it is understood and agreed that:

1. The aggregate liability of the Surety hereunder pertains to all claims arising during the period defined above.
2. In the event the bond does not provide for correction of all noncomplying plumbing work, the bond paid by the undersigned Surety does not relieve the undersigned Principal of liability for correcting noncomplying plumbing work by said Principal or persons working under said Principal's supervision.
3. This bond is a continuous obligation which may be canceled at any time as to further liability upon the Surety's giving at least fifteen (15) days written notice to the Commissioner of Health. In the event of cancellation, the Surety shall not be discharged from any liability already accrued under this bond, or which shall accrue hereunder before the expiration of the fifteen (15) day notice period.

Signed and sealed this 22 day of OCTOBER, 1999

MARK MERHAR  
PRINT - Master Plumber Name License No.

(Signature) Principal

SURETY CORP FEDERATED MUTUAL INSURANCE COMPANY

By ELLEN VALEK  
Attorney in Fact ELLEN VALEK

SEAL

THE REVERSE SIDE OF THIS FORM MUST ALSO BE COMPLETED AND THE POWER OF ATTORNEY ATTACHED.

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YOU MUST COMPLETE A or B and C

A.  
ACKNOWLEDGEMENT OF INDIVIDUAL OR PARTNERSHIP CONTRACTOR

STATE OF MINNESOTA }  
County of \_\_\_\_\_ } ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ personally came \_\_\_\_\_ to me well known to be the identical person(s) described in and who executed the foregoing bond and he/she/they acknowledged the same to be his/her/their own free act and deed.

Notary Public \_\_\_\_\_

Date \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

(SEAL)

My commission expires \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Date

B.  
ACKNOWLEDGEMENT OF CORPORATE CONTRACTOR

STATE OF MINNESOTA }  
County of ST. LOUIS } ss.

On this 3 day of December, 1999, personally came MARK E. MERHAR who being by me duly sworn, did say that he/she is MASTER PLUMBER of MERHARS ACE HARDWARE INC., a MINNESOTA corporation; and that said instrument was executed in behalf of the corporation by authority of its Board of Directors; that he/she acknowledged said instrument to be the free act and deed of the corporation

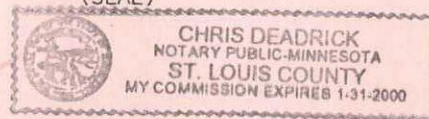
Notary Public \_\_\_\_\_

Date 12 / 3 / 99

(SEAL)

My commission expires 1 / 3 / 2000

Date



C.  
ACKNOWLEDGEMENT OF CORPORATE SURETY

STATE OF MINNESOTA }  
County of STEELE } ss.

On this 22ND day of OCTOBER, 1999 personally came ELLEN VALEK and \_\_\_\_\_ to me personally known, who being by me duly sworn, did say that he/she is the attorney in fact, of FEDERATED MUTUAL INSURANCE COMPANY, the corporation whose name is affixed to the foregoing instrument; that the seal affixed to the foregoing instrument is the corporate seal of the said corporation; and that said instrument was executed in behalf of said corporation by authority of its board of directors and said ELLEN VALEK acknowledged that he/she executed said instrument as attorney in fact as the free act and deed of said corporation.

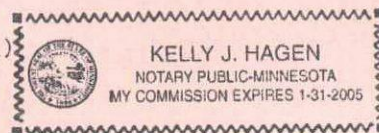
Notary Public \_\_\_\_\_

Date 10 / 22 / 99

(SEAL)

My commission expires 01 / 31 / 2005

Date





POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That FEDERATED MUTUAL INSURANCE COMPANY, a Corporation duly organized and existing under the laws of the State of Minnesota, and having its principal office in the City of Owatonna, State of Minnesota, does hereby constitute and appoint:

Ellen Valek of the City of Owatonna State  
of Minnesota its true and lawful attorney for the following  
purposes:

To sign its name as surety to, and to execute, affix the seal, acknowledge and deliver any and all surety bonds and penalties not exceeding:

One hundred thousand dollars (\$100,000) each

MERHARS ACE HARDWARE INC

ELY, MN

The execution of such bonds or undertakings in pursuance of these presents shall be binding upon the Company as if they had been executed and acknowledged by the regularly elected officers of the Company.

This Power of Attorney granted by Federated Mutual Insurance Company shall terminate when the designee ceases to be:

- 1) Employed by Federated Mutual Insurance Company or
- 2) Employed by Federated Mutual Insurance Company in a job for which such Power of Attorney is required.

IN WITNESS WHEREOF, the said FEDERATED MUTUAL INSURANCE COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its Senior Vice President and Assistant Secretary this the 7th day of November 19 94.

FEDERATED MUTUAL INSURANCE COMPANY

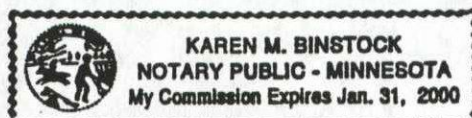
BY *[Signature]*  
Senior Vice President

(SEAL)

and BY *[Signature]*  
Assistant Secretary

STATE OF MINNESOTA  
COUNTY OF STEELE

On this 7th day of November 19 94 personally appeared before me, the undersigned notary public, Jon R Berglund and David W Ramsey to me personally known, who, each being duly sworn by me, did say that they are respectively the Senior Vice President and Assistant Secretary of the FEDERATED MUTUAL INSURANCE COMPANY and that the seal affixed to this instrument is the corporate seal of said Corporation and that this instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and said Jon R Berglund and David W Ramsey acknowledge said instrument to be the free act and deed of said Corporation.



(SEAL)

*Karen M. Binstock*



COPY OF RESOLUTION

"BE IT RESOLVED that the President or any Vice President in conjunction with the Secretary is hereby authorized and empowered under the corporate seal of the Company, to appoint any person or persons as attorney or attorneys-in-fact, or agent or agents of the Company, in its name and as its act to execute and deliver, anywhere in the United States or Canada, any and all bonds and undertakings of suretyship and other documents that the ordinary course of surety business may require."

"BE IT FURTHER RESOLVED that the Power of Attorney or other document appointing such person or persons as attorney or attorneys-in-fact or agent or agents of the Company may either be personally signed by the President, any Vice President, the Secretary or may be executed by said officers by means of facsimile signatures. The said personal signatures or facsimile signatures shall not require the Company seal or any other seal and shall be valid and binding on the company if executed either by personal signature or facsimile signature and with or without the Company seal being affixed thereto."

I, the undersigned, hereby certify that I am a Senior Vice President of the FEDERATED MUTUAL INSURANCE COMPANY, a Corporation duly organized and existing under the laws of the State of Minnesota and that the foregoing is a true and complete copy of the original Power of Attorney given by said Company to:

Ellen Valek

of

Owatonna, Minnesota

authorizing and empowering such person to sign bonds as therein set forth, which Power of Attorney has never been revoked and is still in full force and effect.

I further certify that said Power of Attorney was given in pursuance of a resolution adopted at a regular meeting of the Board of Directors of said Company duly called and held at the office of the Company in the City of Owatonna, Minnesota on the 20th day of April, 1982 at which meeting a quorum was present and that the foregoing is a true and correct copy of said resolution, and the whole thereof as recorded in the minutes of the said meeting.

PURSUANT to the By-Laws of Federated Mutual Insurance Company, Article 8, Section 1; in the absence or inability of the Secretary to act, his duties shall be performed by the Assistant Secretaries in the order of their rank.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the FEDERATED MUTUAL INSURANCE COMPANY this the 22ND day of OCTOBER, 1999.

FEDERATED MUTUAL INSURANCE COMPANY

(SEAL)

  
\_\_\_\_\_  
Senior Vice President